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March 11, 2008

Hon. Meenakshi Srinivasan, Chairperson
New York City BSA of Standards and Appeals
40 Rector Street
New York, New York 10007

Re : 6-10 West 70th Street
New York, NY
Calendar No. 74-07-BZ

Dear Chairperson Srinivasan:

The following has been prepared in response to questions raised by the BSA of Standards and Appeals ("BSA") at the Public Hearing of February 12, 2008, and in response to a report prepared by the opposition to the above referenced application, submitted by Metropolitan Valuation Services, dated February 8, 2008 (the "MVS Report"). The MVS Report question specific items in my letter to you of December 21, 2007 and the Economic Analysis Report, dated March 28, 2007 (collectively referred to herein as the "FFA Reports").

The BSA asked us to review the estimated property value of the residential development portion of the site, utilizing the As of Right zoning floor area determined by assuming the building lot to be a single split zoning lot. In addition, the BSA requested that we consider financial feasibility of several additional alternatives.

Value of the Property

The maximum floor area determined by assuming that the building lot is a single split zoning lot is 35,979 sq.ft. The residential floor area for valuation purposes is 17,845.46 sq.ft. Of this residential floor area, approximately 4,681 sq.ft., or 26%, is in the R8B zone, and approximately 13,165 sq.ft, or 74%, is in the R10A zone. The community facility area is approximately 18,134 sq.ft.

To estimate the value of the residential floor area we utilized a comparable sales analysis methodology, based on separate consideration of R10A and equivalent zoning districts, and R8B zoning districts, taking into account the different values related to property location, size, time of sale, zoning related development opportunities, and in particular the location of residential floor area within the building in relationship to premiums for Central Park views and premiums for upper floors.

Below, as requested by the BSA, we have re-examined comparables in both the R8B and R10A zoning districts.

Attached to this Letter is an axonometric diagram, illustrating the distribution of floor area for the As of Right with Tower Development, and a chart that outlines the steps taken to arrive at the areas and property value described herein, as Exhibit 1 and 2, respectively.

R8B Comparables

In order to estimate the value of the R8B land under consideration, recent sales prices for comparable vacant properties in similar R8B zones and in geographic proximity within Manhattan were reviewed. Five appropriate sales were identified.

Vacant land R8B sale prices, adjusted for comparability ranged from \$498.30/sq.ft. of F.A.R. development area to \$632.54/sq.ft. with an average of \$589.03/sq.ft. For purposes of this analysis, a value of \$590/sq.ft., or slightly above the average, was used.

R10A Comparables

There are a very limited number of R10A vacant land comparables. The majority of comparables available would be classified as underutilized and "tear down", or the zoning allows for some commercial potential.

In order to estimate the value of the R10A land under consideration, recent sales prices for comparable vacant or underutilized properties in similar R10 or equivalent zones and in geographic proximity within Manhattan were reviewed. Five appropriate sales were identified.

Appropriate R10A land sale prices, adjusted for comparability, ranged from \$714.30/sq.ft. of F.A.R. development area to \$1,073.46/sq.ft. with an average of \$827.21/sq.ft. For purposes of this analysis, a value of \$825/sq.ft., or slightly below the average, was used.

Reconciliation/Blended Average

Approximately 26% of the residential area would be in the R8B zoning district. The adjusted \$/sq.ft. of the R8B portion of the site would be equal to 26% X \$590, equal to the amount of \$154.75.

Approximately 74% of the residential area would be in the R10 zoning district. The adjusted \$/sq.ft. for the R10A residential portion of the site would be 74% X \$825, equal to the amount of \$608.61.

The blended average of the adjusted \$/sq.ft. would be the sum of the R8B portion and R10A portion of the built area, and would be \$154.75 plus \$608.61/sq.ft., for a total of \$763.36/sq.ft. For purposes of this analysis, we have used \$750/sq.ft. Therefore, with the assumed residential portion of the property at 17,845 sq.ft., the acquisition cost is estimated at \$13,384,000.

Development Alternatives

A) Proposed Development with Courtyard

We have examined an alternative Proposed Development with a complying courtyard in the rear of the property, at the southwest corner. The purpose of the courtyard is to continue providing light and air to three lot line windows on the adjacent property at 18 west 70th street. The court would be approximately 10.5' deep and 15.75' wide and would start at the sixth floor. Floors six, seven and eight would be reduced in size, and as a result would lose one bedroom. The penthouse terrace area and overall interior area would be reduced.

The gross built residential area would be 20,309 sq.ft., and the residential sellable area would be 15,243 sq.ft. The attached Schedule E1 identifies the estimated sales prices.

An alternative with a larger courtyard of approximately 15' deep and 20' wide instead of 10.75' by 15.75' was considered. This larger courtyard would further diminish the sellable area on each of the affected floors; result in the potential loss of two bedrooms on each typical floor; and a significant loss of area on the penthouse floor. As a result of the loss of premium sellable area and luxury quality apartment features it is unlikely that this would be a feasible alternative. Therefore, no further analysis was considered necessary.

B) Proposed Development with Courtyard Without Penthouse

At the request of the BSA, we have examined an alternative Proposed Development which reduces the height of the Proposed building by one story. This alternative eliminates the penthouse and provides a complying courtyard, as described in the above alternative analysis A. The courtyard would be the same dimensions as described above, and the resulting floor area reductions to the sixth, seventh and eighth floors would also be the same.

The gross built residential area would be 17,552 sq.ft., and the sellable area would be 13,454. The estimated sales prices are attached as Schedule E2.

Development Costs

The architectural firms of Platt Byard Dovell White Architects LLP have provided plans. For each development alternative, a construction cost estimate has been provided by McQuilkin and Associates. Each estimate can be found in Exhibit 3 to this Report.

The estimated hard construction cost for the total development of Proposed Development with Courtyard is \$7,398,000. No construction costs related to development of the community facility have been included.

The estimated hard construction cost for the total development of Proposed Development with Courtyard Without Penthouse is \$6,547,000. No construction costs related to development of the community facility have been included.

Hardship Premium

The unique characteristics of the site have a significant impact on the economic feasibility of As of Right with Tower use for several reasons. Physical site conditions require redundant and inefficient costly circulation systems to provide the necessary means of access and egress to the residential portions of the building; and the configuration results in additional perimeter walls, at additional cost. These characteristics result in a direct construction cost premium of \$658,000 when compared with the Proposed Alternative which has approximately the same area, but addresses the irregularity of the As of Right Development. This is the difference of the basic construction of the Proposed Residential Development with Courtyard and As of Right with Tower Residential Development.

Development soft costs related to the direct construction cost premium resulting from the unique site conditions are also significant. The previously identified direct construction cost premium would generate soft costs of approximately \$117,000 in excess of those that would occur for a property unencumbered by the unique site conditions. The site related total cost premium, therefore, would be approximately \$775,000. This total cost premium is the sum of the construction cost premium and the soft cost premium.

The unique character of the existing building and site also affects potential income. The infeasibility of the As of Right with Tower Development is a result of the reduced value of the residential units. The reduced value is a result of the extremely small size and limited marketability of the units and the extremely inefficient ratio between the gross building area and sellable area.

The As of Right with Tower has a ratio of Sellable/Gross residential area of approximately 51%, whereas in the Proposed Development with Courtyard the ratio of Sellable/Gross would be 75%. The resulting increase in sellable area from the improved efficiency yields significantly more potential sales income.

Economic Analysis

A) Proposed Development with Courtyard

As shown in the attached Schedule A, the Feasibility Analysis estimated the net project value to be \$34,039,000. This amount is the sum of residential condominium unit sales, less sales commissions. The total investment, including estimated Property Value, base construction costs, soft costs and carrying costs during the sales period for the Revised Proposed Development is estimated to be \$27,145,000.

As shown in Schedule A1, the development of the Proposed Development with Courtyard would provide an Annualized Return on Total Investment of 8.58%.

B) Proposed Development with Courtyard Without Penthouse

As shown in the attached Schedule A, the Feasibility Analysis estimated the net project value of this alternative to be \$28,576,000. This amount is the sum of residential condominium unit sales, less sales commissions. The total investment, including estimated Property Value, base construction costs, soft costs and carrying costs during the sales period for the Proposed Development with Courtyard Without Penthouse is estimated to be \$26,805,000.

As shown in Schedule A2, the development of the Revised Proposed Development would provide an Annualized Return on Total Investment of 1.94%. This return is below the level necessary to justify an investment.

MVS Report Response

The MVS Report reviews the five development alternatives and concludes that the “As of Right Scheme A” and “Lesser Variance Scheme B” are not considered economically viable options. These conclusions align with our own.

MVS questions as to why the as of right tower scheme was considered. We note that the “As of Right with Tower” scheme reflects a development limited to the allowable zoning floor area on the building lot and the constraints imposed by the physical characteristics and zoning on the lot.

We disagree with MVS’s statement that the “As of Right Scheme C” alternative is feasible. This would only be the case if each and every one of MVS’s alternative and often unsupported assumptions were considered to be correct. Our analysis indicates that this is not a feasible alternative.

A) Site Value

Sales Comparison

The observations provided by the MVS Report regarding comparable vacant land sales are incorrect. We provide the following additional discussion for the R-10 comparables previously utilized in the FFA Report.

1) 510 West 34th Street

As MVS Report stated, this lot was part of an assemblage. However, speculation on the potential opportunity for purchase of unlimited development rights is not the same as quantifiable actual purchase. If this property had purchased additional air rights it would have been recorded.

2) 166 West 58th Street

According to NYC DOB, this site was issued a permit for demolition as of 6/12/2007. The characterization of this site as vacant is appropriate.

3) 452 Eleventh Avenue

The FFA Report provided the most recent sales price recorded for this property. The fact that previous purchase prices may have been lower is not relevant.

4) 1353 First Avenue

The transfer of air rights was a separate transaction. The transaction under consideration is the office building at 1353, and does not take the air rights into consideration. The fact that there was a previous purchase of air rights at a lower price is not relevant.

5) 225 West 58th Street

Again, the MVS Report is correct in identifying this lot as part of an assemblage. However, Extell has been slowly purchasing lots and air rights up and down 58th and 59th Street. This was an underutilized site that Extell paid a market rate amount, which was within their overall range of purchases.

MVS alleges that comparables they provide in their report are more relevant than those utilized in the FFA Report. MVS's own research, however, is in fact, is not an accurate reflection of vacant land sales in comparable R-10 zones.

1) 272-276 West 86th Street

This property is three five-story buildings with a total of 27 units in walk-up buildings, at a location significantly inferior. Although under utilized for the allowable zoning, according to NYC Department of Buildings these apartment buildings have been recently improved. These properties would never be considered "vacant property" for comparable purposes. In addition, merely listing a property without identifying and applying appropriate adjustment factors is quite unprofessional.

2) 200 West End Avenue

This is 22,375 sq.ft. vacant lot with an R8 zoning district, not an R-10 equivalent district, with an FAR of 6.02. The property did sell for \$97,500,000 on May 9, 2006, but MVS inaccurately calculates the \$/developable sq.ft.

The current F.A.R. permitted by Zoning for this district is 6.02 F.A.R. x 22,375 sq.ft. for a developable square footage of 134,697.5 sq.ft. This would result in \$724/developable sq.ft. We also note, merely listing a property without identifying and applying appropriate adjustment factors is quite unprofessional.

Adjustments for time, location, size and other factors would have further affected the comparable price per developable sq.ft. for this lot. Without appropriate adjustments this cannot be considered a comparable property.

3) 120-122 West 72nd Street

This is 5,108 sq.ft. lot in a C4-6A zoning district from May 11, 2006 was not used in our analysis although it has a R-10 equivalent zoning, the C6-4A also generates commercial potential, which is not available at our subject lot. Furthermore, MVS has not adjusted this sale for time, location, size, zoning and other factors. We also note, merely listing a property without identifying and applying appropriate adjustment factors is quite unprofessional.

- *The MVS report alleges that, upward time adjustments aren't appropriate because of economic turmoil and elimination of 421-a.*

Whereas, it is correct that there have been changes in the 421-a program, there is no clear indication that such changes have had or will have an effect on the high end of the residential market, within which, this project would be developed.

Adjustments for time are necessary, and are an acceptable appraisal method. The adjustments made to the comparables are consistent from sale to sale and are necessary to compare apples to apples.

- *MVS's report takes the position that there are no direct views of Central Park except for the As of Right Development with Tower.*

In response, we note two things – the As of Right Development with Tower has been used to estimate the property value, therefore, for purposes of such valuation there are direct unobstructed views of Central Park; and a more careful look by MVS at the Proposed Development would have clearly informed them that, in fact, the upper floors of the Proposed Development will have direct views of Central Park.

Proportional/Tax Assessed Value

- *MVS's report reiterates their position that there are no direct views of Central Park except for the As of Right Development with Tower, and therefore does not apply.*

As discussed above, the As of Right with Tower would have Central Park views, and therefore, the MVS Report is incorrect in its assumption.

- *MVS further alleges that reliance upon assessor's values is not a recognized value technique and is absent from appraisal literature.*

As was discussed with the BSA at the Hearing on 2-12-2008, the Proportional/Tax Assessed Value was not used as a valuation technique, it was used to establish an appropriate adjustment factor for previously determined average buildable square foot values.

Land Residual Value

- *The MVS report states that we attempt to "back into" a land value and this technique is contrived and arbitrary.*

There is nothing to respond to here. MVS is expressing an opinion and not an analysis of work performed.

- *The MVS report concludes that \$500/F.A.R. sq.ft. is more probable indicator of the property's market value.*

We note that, the MVS Report does not provide support for how this amount is arrived at, nor does it take into account, as we did in our analysis, the fact that upper floors and floors with Central Park views provide a premium. Because they would in fact command a premium, they would not be valued at the same rate as lower floors.

Sales prices of finished units

- *The MVS Report states that the outdoor space was undervalued.*

MVS provides no substantiation for this comment; the assumption we made for outdoor space is similar to other analyses submitted to the BSA, and consistent with the ranges we have observed in market transactions.

- *The MVS Report states that the above grade residential area is not consistent with market measurement parameters.*

The project architect has estimated the sellable area utilized in our analyses.

B) Construction Costs

Soft Costs Adjustments

- *The MVS Report comments on the interest and carrying costs of the Proposed Development*

The carrying costs in the FFA Reports are based on the Total Development Costs, not just the construction cost estimates. As Mr. Levine well knows, site acquisition costs are incurred at the beginning of the project, and therefore substantial related costs must be carried for the extended life of the full development and sales period.

- *The MVS Report comments on the interest rate charged on the construction loan.*

At the time of the original FFA Report, dated March 28, 2007, the prime rate was 8.25%. We clearly stated that prime rate cannot be reasonably assumed to remain in effect during the development's projected timeframe. This is consistent with other analyses submitted to the BSA.

Ongoing BSA consideration of any particular project the initial report date typically establishes the base line for purposes of consistency. MVS fails to note that although the prime rate went down, that other factors such as construction costs have gone up at significant escalation rates. It is inappropriate to "cherry pick" one factor of development costs without taking into account all factors.

- *The MVS Report questions who the developer would be.*

The FFA Reports does not make any assumption as to whom the developer might be.

- *The MVS Report states that overall the soft construction costs were overestimated.*

MVS provides no substantiation for this claim. We provide a line item cost breakdown in categories consistent with NYC requirements for obtaining 421-a benefits.

C) Assumptions considered reasonable for revision

- *The MVS Report states that charging a developer for the full site area regardless of the scenario is a major conceptual disconnect.*

This practice is consistent with that used in similar Economic Analysis submissions to the BSA. However, at the request of the BSA, the submission of 12/21/2007, we only valued the residential development area, and revised the analyses of all alternative scenarios to reflect this adjusted property valuation.

Soft Costs

- *The MVS Report states that charging a developer for not unusable area results in substantial additional soft cost charges.*

As discussed above, this practice is consistent with that used in similar Economic Analysis submissions to the BSA. However, at the request of the BSA, the submission of 12/21/2007, we only valued the residential development area, and revised the analyses of all alternative scenarios to reflect this adjusted property valuation.

D) Overall Project Review and Conclusions

- *The MVS Report concludes that the as of right building in conformity with zoning is economically feasible. "Therefore, development of the site with an "as of right" building in conformity with zoning does not meet the definition of "hardship".*

Our analysis considered two as of right alternatives - a complying development with a tower on the R10A portion of the site and an All Residential alternative, eliminating the community facility space necessary to meet the program needs of Shearith Israel.

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The conclusion of these analyses was that neither of these two alternatives is viable, as a result of the affect of the unique site conditions on costs and income and the inability to meet the programmatic requirements of Congregation Shearith Israel.

As determined in our analyses, the Proposed Development requires the minimum variance necessary to provide relief, which would result in a minimum reasonable return. The feasibility of other alternatives, including the two As of Right building alternatives which were considered, would only be possible if in each and every case, all of MVS's alternative and often unsupported assumptions were considered to be correct. Unfortunately, this is not the case.

Please feel free to call me if you have any further questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Jack Freeman", with a long horizontal flourish extending to the right.

Jack Freeman

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Exhibit 2: Outline of Steps to Arrive at Areas and Value

Exhibit 3: Construction Cost Estimates

- Proposed Construction Cost Estimate with Courtyard
- Proposed Construction Cost Estimate Less Penthouse w/Courtyard

SCHEDULE A: ANALYSIS SUMMARY - COMPARISON OF PROPOSALS

	PROPOSED DEVELOPMENT WITH COURTYARD	PROPOSED DEVELOPMENT WITH COURTYARD W/O PENTHOUSE
BUILDING AREA (SQ.FT.)		
BUILT RESIDENTIAL AREA	20,863	20,309
SELLABLE AREA	15,243	13,454
CAPITAL INVESTMENT SUMMARY		
ACQUISITION COST	\$13,384,000	\$13,384,000
HOLDING & PREP. COSTS	\$0	\$0
BASE CONSTRUCTION COSTS	\$7,398,000	\$6,547,000
SOFT CONSTRUCTION COSTS	\$6,363,000	\$6,210,000
	\$27,145,000	\$26,141,000
PROJECT VALUE		
SALE OF UNITS	\$36,212,000	\$30,400,000
(less) SALES COMMISSIONS	6% (\$2,173,000)	(\$1,824,000)
EST. NET PROJECT VALUE	\$34,039,000	\$28,576,000
PROJECT INVESTMENT		
ACQUISITION COST	\$13,384,000	\$13,384,000
HOLDING & PREP. COSTS	\$0	\$0
BASE CONSTRUCTION COSTS	\$7,398,000	\$6,547,000
SOFT CONSTRUCTION COSTS	\$6,363,000	\$6,210,000
CARRYING COSTS DURING SALES PERIOD	\$664,000	\$664,000
EST. TOTAL INVESTMENT	\$27,809,000	\$26,805,000
RETURN ON INVESTMENT		
ESTIMATED PROJECT VALUE	\$34,039,000	\$28,576,000
(less) EST. TOTAL INVESTMENT	(\$27,809,000)	(\$26,805,000)
(less) EST. TRANSACTION TAXES	(\$661,000)	(\$555,000)
EST. PROFIT (loss)	\$5,569,000	\$1,216,000
DEVELOPMENT/SALES PERIOD (MONTHS)	28	28
ANNUALIZED PROFIT (loss)	\$2,387,000	\$521,000
RETURN ON TOTAL INVESTMENT	20.03%	4.54%
ANNUALIZED RETURN ON TOTAL INVESTMENT	8.58%	1.94%

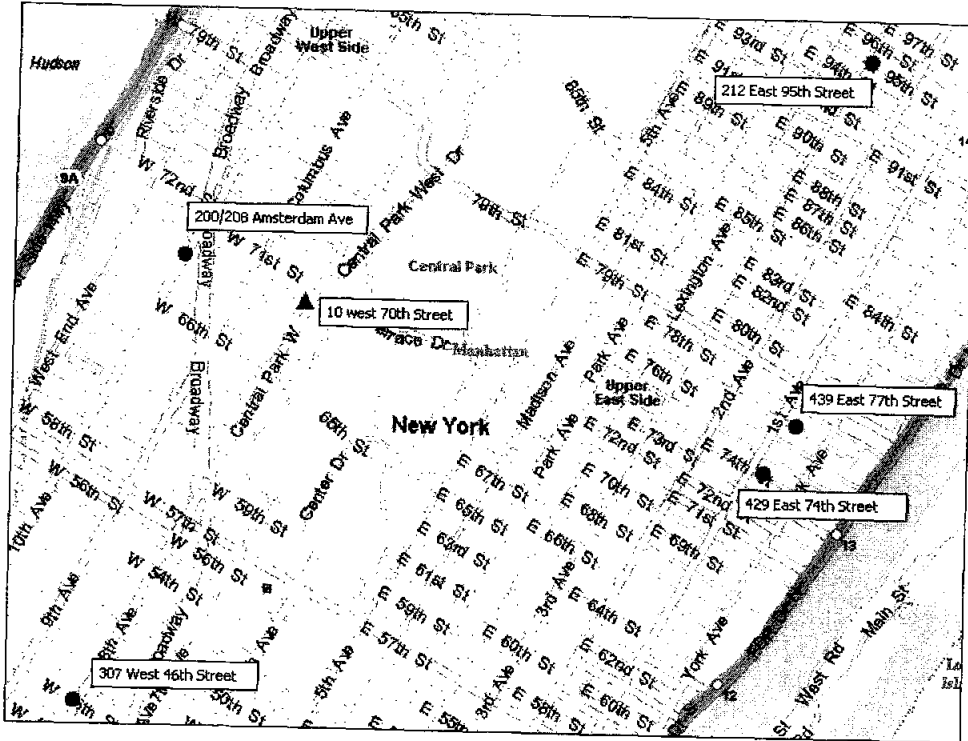
NOTE : ALL \$ FIGURES ROUNDED TO NEAREST THOUSAND

SCHEDULE B : DEVELOPMENT COSTS

		PROPOSED DEVELOPMENT WITH COURTYARD	PROPOSED DEVELOPMENT WITH COURTYARD W/O PENTHOUSE
DEVELOPMENT COST SUMMARY			
ACQUISITION COSTS		\$13,384,000	\$13,384,000
HOLDING & PREP. COSTS:		\$0	\$0
BASE CONSTRUCTION COSTS		\$7,398,000	\$6,547,000
TENANT FIT-OUT COSTS		\$0	\$0
EST.SOFT COSTS		\$6,363,000	\$6,210,000
EST. TOTAL DEV.COSTS		\$27,145,000	\$26,141,000
ACQUISITION COSTS :			
Land Purchase Price		\$13,384,000	\$13,384,000
TOTAL LAND VALUE		\$13,384,000	\$13,384,000
HOLDING & PREP. COSTS:		\$0	\$0
BASE CONSTRUCTION COSTS :		\$7,398,000	\$6,547,000
EST.CONST.LOAN AMOUNT :		\$24,770,000	\$24,770,000
EST.CONST.PERIOD(MOS) :		24	24
EST. SOFT COSTS :			
Builder's Fee/Developer's Profit	3.00%	\$814,000	\$784,000
Archit. & Engin. Fees	8.00%	\$592,000	\$524,000
Bank Inspect.Engin.		\$34,000	\$34,000
Construction Management	5.00%	\$296,000	\$262,000
Inspections, Borings & Surveys			
Laboratory Fees	LS	\$5,000	\$5,000
Soil Investigation	LS	\$10,000	\$10,000
Preliminary Surveys	LS	\$5,000	\$5,000
Ongoing Surveys	LS	\$10,000	\$10,000
Environmental Surveys/Reports	LS	\$2,000	\$2,000
Controlled Inspection Fees	LS	\$45,000	\$45,000
Legal Fees			
Dev.Legal Fees		\$150,000	\$150,000
Con.Lender Legal		\$62,000	\$62,000
End Loan Legal		\$0	\$0
Permits & Approvals			
D.O.B. Fees	25.53%	\$124,000	\$120,000
Cond/Co-op Offering Plan		\$30,000	\$30,000
Other		\$40,000	\$40,000
Accounting Fees		\$5,000	\$5,000
Consultant Fees		\$0	\$0
Appraisal Fees		\$8,000	\$8,000
Marketing/Pre-Opening Expenses			
Rental Commissions	25.00%	\$0	\$0
Sales Expenses & Advertising		\$198,000	\$198,000
Financing and Other Charges			
Con.Loan Int. @ Loan Rate =	9.50%	\$2,353,000	\$2,353,000
Rent-up Loan Int. @ Loan Rate =	7.00%	\$0	\$0
Con.Lender Fees	1.00%	\$248,000	\$248,000
End Loan Fee	1.00%	\$0	\$0
Construction Real Estate Tax		\$445,000	\$445,000
Rent-up Real Estate Tax		\$0	\$0
Title Insurance	0.33%	\$90,000	\$86,000
Mlge.Rec.Tax	2.75%	\$681,000	\$681,000
Construction Insurance	1.00%	\$111,000	\$98,000
Water and Sewer		\$5,000	\$5,000
Other		\$0	\$0
TOTAL EST.SOFT COSTS		\$6,363,000	\$6,210,000

NOTE : ALL \$ FIGURES ROUNDED TO NEAREST THOUSAND

Schedule C: Comparable R8B Vacant Property Sales



Schedule C: Comparable Vacant Property Sales

1. 429 East 74th Street

This is a 6,554 sq.ft. under utilized lot on Manhattan's Upper East Side. It is approximately 2.5 miles east of the subject property, and is located on East 74th Street between York and First Avenues. A +20% adjustment was made for time, and a +20% adjustment was made for the inferior location. An additional +10% adjustment was made for the subject property's location within the building. No adjustments were made for size or zoning.

2. 439 East 77th Street

This is a 2,236 sq.ft. under utilized lot on Manhattan's Upper West Side. It is located on East 77th Street between York and First Avenues. It is approximately 2.5 miles east of the subject property. A +20% adjustment was made for time, and a +20% adjustment was made for the inferior location. An additional +10% adjustment was made for the subject property's location within the building. No adjustments were made for size or zoning.

3. 212 East 95th Street

This is a 5,650 sq.ft. vacant lot located on East 95th Street between Second and Third Avenues on Manhattan's Upper East Side. It is located approximately 2.5 miles northeast of the subject property. A +20% adjustment was made for time, and a +20% adjustment was made for inferior location. An additional +10% adjustment was made for the subject property's location within the building. No adjustments were made for size or zoning.

4. 200/208 Amsterdam Avenue

This is a recent sale of an existing school building and synagogue in two separate transactions that have been combined. Both properties sold for \$15,276,000 on May 1, 2007, and both are C2-5/R8 zoning districts. The lot size at 200 Amsterdam Avenue is 7,042 sq.ft., and the lot at 208 Amsterdam Avenue is 5,000 sq.ft. They are located approximately 0.4 mile west of the subject property. A +10% adjustment was made for time, and a +15% adjustment was made for the inferior location. An additional -10% adjustment was made for superior zoning, and a +10% adjustment was made for the subject property's location within the building. No adjustments were made for size.

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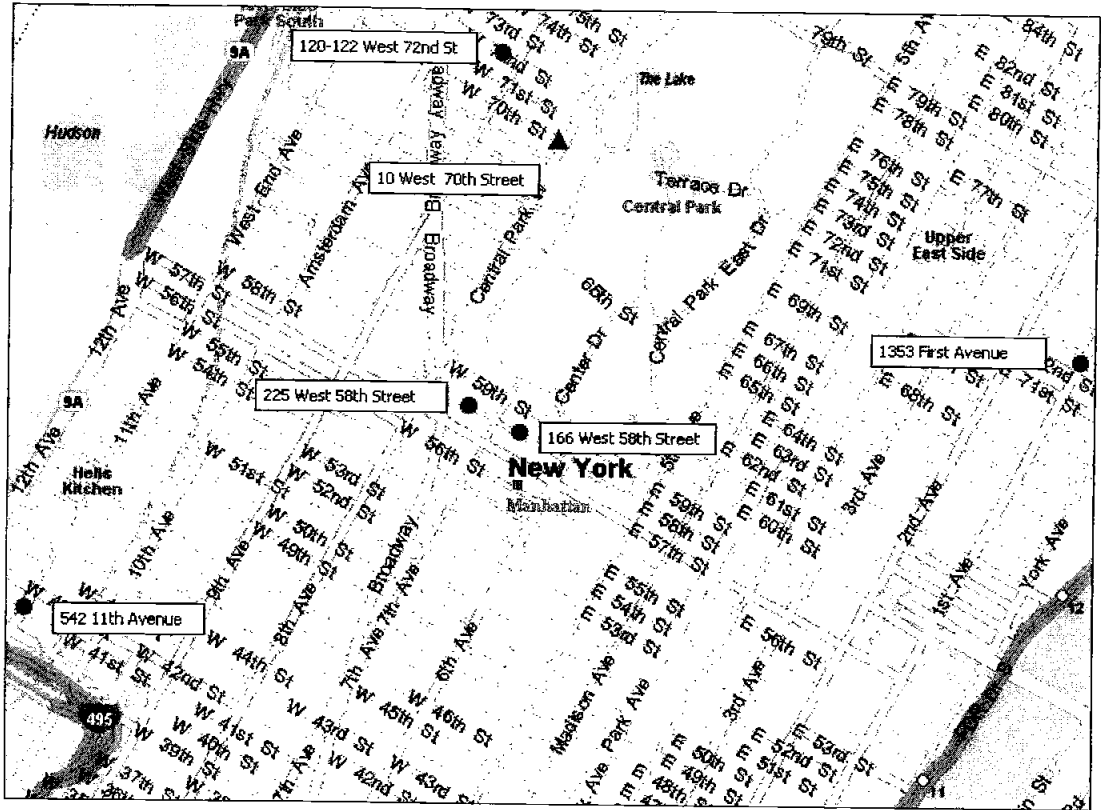
Schedule C: Comparable R8B Vacant Property Sales Continued

5. 307 West 46th Street

This is a 6,036 sq.ft. licensed parking lot located on the corner of West 46th Street and 8th Avenue. It is located approximately 1.6 miles south of the subject property. A +10% adjustment was made for time, and a +20% adjustment was made for the inferior location. An additional +10% adjustment was made for the subject property's location within the building. No adjustments were made for size or zoning.

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Schedule D: Comparable R10A Vacant Property Sales



Schedule D: Comparable R10A Vacant Property Sales

1. 166 West 58th Street

This is a 7,839 sq.ft. under utilized lot in a C5-1 zoning district. It is located approximately 1.4 miles south east of the subject property, and is located between 6th and 7th Avenues. A +20% adjustment was made for time, and a +20% adjustment was made for inferior location. A -10% adjustment was made for zoning's commercial potential. A +20% adjustment was made for no Central Park views. No adjustment was made for size.

2. 452 11th Avenue

This is a 9,875 sq.ft. under utilized lot in a C6-4 zoning district. It is located approximately 2.2 miles south of the subject property, and is located between west 36th and west 37th Streets. A +10% adjustment was made for time, and a +25% adjustment was made for inferior location. A -5% adjustment was made for the zoning's commercial potential. A +20% adjustment was made for no Central Park views. No adjustment was made for size.

3. 1353 First Avenue

This is a 5,100 sq.ft. under utilized lot in a C1-9 zoning district on the upper east side. Located approximately 2.5 miles east of the subject property it is located between east 72nd and east 73rd Streets. A +10% adjustment was made for time, and a +20% adjustment was made for inferior location. A -10% adjustment was made for the commercial potential, and a +20% adjustment was made for no Central Park views. No adjustment was made for size.

4. 225 West 58th Street

This is a 5,020 sq.ft. under utilized lot in a C5-1 zoning district. Located approximately 1.5 miles southeast of the subject property, it is located on West 58th Street between Broadway and 7th Avenue. A +20% adjustment was made for time, and a +20% adjustment was made for inferior location. A -10% adjustment was made for commercial potential, and a +20% adjustment was made for no views of Central Park. No adjustment was made for size.

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Schedule D: Comparable R10A Vacant Property Sales Continued

5. 120-122 West 72nd Street

This is a 5,108 sq.ft. lot, located approximately three and a half blocks away from the subject property, between Amsterdam and Columbus Avenues. A +20% adjustment was made for time, and a +20% adjustment was made for inferior location. A -10% adjustment was made for commercial potential, and a +20% adjustment was made for no views of Central Park. No adjustment was made for size.

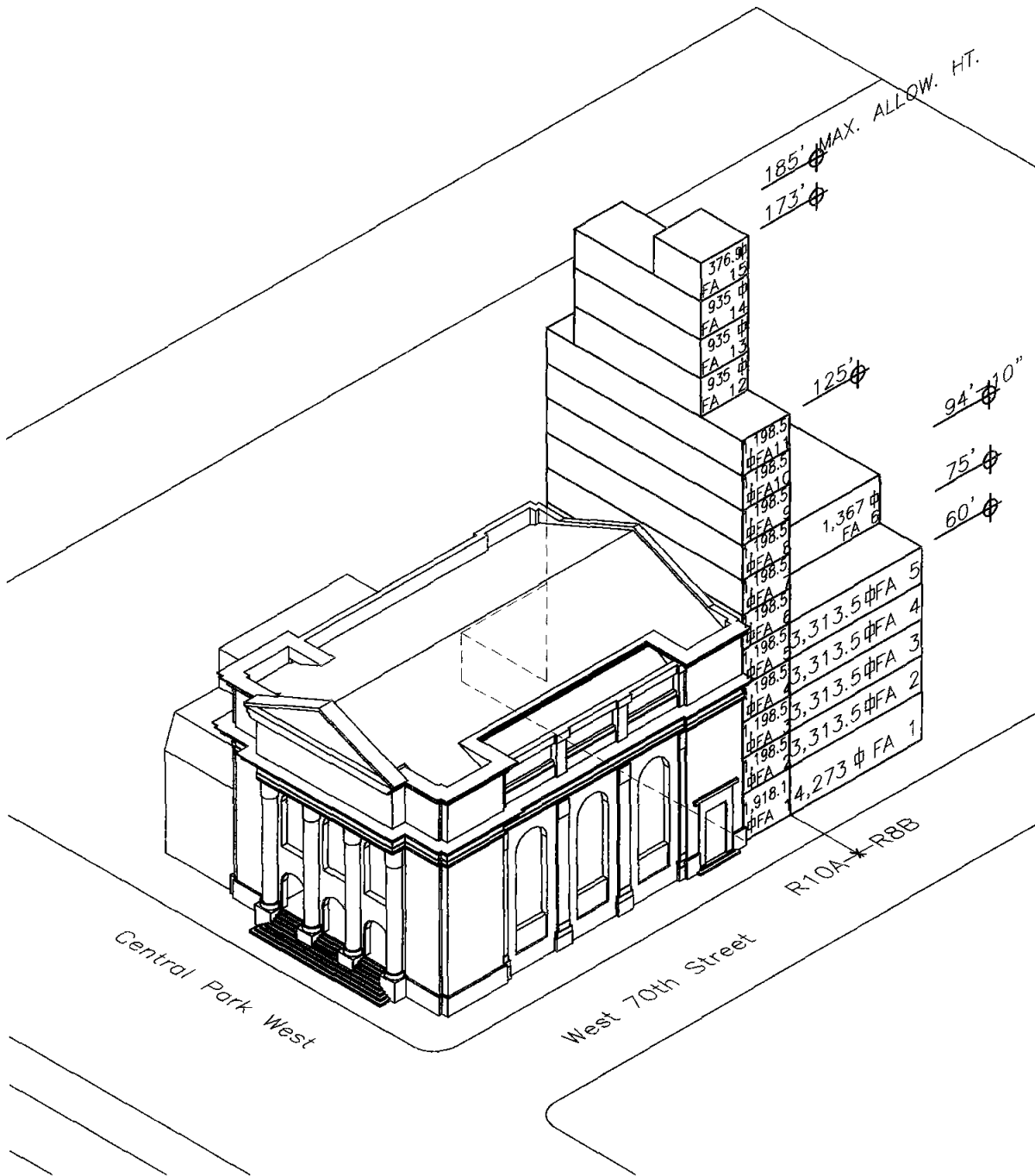
Freeman/Frazier & Associates, Inc.
 Date : March 11, 2008
 Property : 10 West 70th Street
 Block, Lot : Blk 1122, Lot 37
 Total Land Area : 6,472 sq. ft.
 Zone : R8B & R10A
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Schedule E1: Proposed Residential with Courtyard Condominium Pricing

Floor	Area	Price	Price/SF	Outdoor Space
Five	3,337	\$7,675,100	\$2,300	0
Six	3,292	\$7,027,609	\$2,135	0
Seven	3,418	\$7,518,764	\$2,200	0
Eight	3,408	\$8,178,288	\$2,400	0
PH	1,789	\$5,812,263	\$2,700	1,455
Total	15,243	\$36,212,024	\$2,376	

Schedule E2: Proposed Residential with Courtyard Condominium Pricing w/o PH

Floor	Area	Price	Price/SF	Outdoor Space
Five	3,337	\$7,675,100	\$2,300	0
Six	3,292	\$7,027,609	\$2,135	0
Seven	3,418	\$7,518,764	\$2,200	0
Eight	3,408	\$8,178,288	\$2,400	0
Total	13,454	\$30,399,761	\$2,260	



EXISTING AS OF RIGHT ZONING ENVELOPE @ DEVELOPMENT SITE (BASED ON HEIGHT AND SETBACK LIMITATIONS)

PERMITTED FLOOR AREA:
 R10A- 17,085 SF
 R8B- 18,894 SF
 COMBINED - 35,979 SF

AS-OF-RIGHT TOWER W/ MAXIMUM FAR ON DEVELOPMENT SITE
 PBDW
 03.11.08
 CAL NO. 74-07-BZ

Exhibit Two

Lot Area Summary			
	Lot Area	6,432	
		Sq.Ft.	Zoning Floor Area
	R8B Portion of the site	4,724	18,894
	R10A Portion of the Site	1,709	17,085
	Total	6,432	35,979

Use Zoning Area Summary	
	Sq.Ft.
Total Residential Zoning Floor Area	17,845
Total CF Zoning Floor Area	18,134
Total Zoning Floor Area	35,979

Residential Zoning Area Breakdown		
	Residential Area	% of Residential ZFA
R8B built area	4,681	26%
R10A built area	13,165	74%
Total Residential ZFA	17,845	100%

Estimated Residential Value			
	Comparable Average	% of Residential ZFA	Adjusted \$/Sq.Ft.
R8B (Schedule C)	\$590	26%	\$ 154.75
R10A (Schedule D)	\$825	74%	\$ 608.61
Blended Average Total		100%	\$ 763.36

Acquisition Cost		
	Total Residential ZFA	Value of the Residential Portion
Blended \$/Sq.Ft.	17,845	\$ 13,384,000
\$750		

Construction Cost Estimate

CONGREGATION SHEARITH ISRAEL

NEW YORK, N.Y.

PROPOSED CONSTRUCTION COST ESTIMATE WITH COURTYARD

March 4, 2008

McQuilkin Associates, Inc.
Construction Consultants

500 Morris Avenue
Springfield, NJ 07081
Tel 973-218-1600
Fax 973-218-1700

MC QUILKIN ASSOCIATES INC.				DATE:	3/4/08
PROJECT: CONGREGATION SHEARITH ISRAEL				REV:	
LOCATION: NEW YORK, NY					
CSI #	TRADE SUMMARY	SCHOOL	RESIDENTIAL	TOTAL AMOUNT	
PROPOSED WITH COURTYARD					
02050	BUILDING DEMOLITION	103,500	-	103,500	
02060	SELECTIVE DEMOLITION	25,000		25,000	
02080	ASBESTOS ABATEMENT	NIC	NIC	NIC	
02500	PAVING & SURFACING	24,786	-	24,786	
02900	EXCAVATION/FOUNDATION	1,967,652	56,000	2,023,652	
03010	CONCRETE AND CEMENT WORK	2,458,700	2,140,240	4,598,940	
04200	MASONRY	193,140	-	193,140	
05500	MISCELLANEOUS METALS	95,950	61,300	157,250	
06100	ROUGH CARPENTRY	43,500	46,000	89,500	
06400	FINISH CARPENTRY	21,720	33,400	55,120	
07530	ROOFING & FLASHING	-	166,680	166,680	
07900	JOINT SEALERS	15,000	10,000	25,000	
08100	HOLLOW METAL DOORS	19,930	17,080	37,010	
08200	WOOD DOORS	13,500	24,000	37,500	
08700	HARDWARE	32,800	16,800	49,600	
08900	EXTERIOR FAÇADE	654,326	752,099	1,406,425	
09250	GYPSUM WALLBOARD	303,236	359,208	662,444	
09300	TILEWORK	136,946	30,960	167,906	
09500	ACOUSTIC CEILING	134,316	4,004	138,320	
09600	WOOD FLOORING	8,376	92,826	101,202	
09680	CARPET & RESILIENT	42,352	2,102	44,454	
09700	TERRAZZO	181,840	22,920	204,760	
09900	PAINTING	82,169	56,334	138,503	
10100	VISUAL DISPLAY BOARDS	9,750	-	9,750	
10150	COMPARTMENTS & CUBICLES	21,200	-	21,200	
10520	FIRE PROTECTION SPECIALTIES	7,200	-	7,200	
10800	TOILET ACCESSORIES	21,800	6,500	28,300	
11130	PROJECTION SCREENS	18,000	-	18,000	
11400	APPLIANCES	5,000	25,000	30,000	
14000	CONVEYING SYSTEM	150,000	360,000	510,000	
15300	FIRE PROTECTION	185,724	141,504	327,228	
15400	PLUMBING	365,940	331,657	697,597	
15500	HVAC	1,688,400	900,480	2,588,880	
16050	ELECTRICAL WORK	981,772	756,112	1,737,884	
	SUBTOTAL	10,013,525	6,413,205	16,426,730	
	GENERAL CONDITIONS	12%	1,201,623	769,585	1,971,208
	SUBTOTAL	11,215,147	7,182,790	18,397,937	
	LIABILITY INSURANCE	3%	336,454	215,484	551,938
	TOTAL	11,551,602	7,398,273	18,949,875	

CONGREGATION SHEARITH ISRAEL

NEW YORK, N.Y.

PROPOSED CONSTRUCTION COST ESTIMATE LESS PENTHOUSE WITH COURTYARD

March 4, 2008

McQuilkin Associates, Inc.
Construction Consultants

500 Morris Avenue
Springfield, NJ 07081
Tel 973-218-1600
Fax 973-218-1700

MC QUILKIN ASSOCIATES INC.
 PROJECT: CONGREGATION SHEARITH ISRAEL
 LOCATION: NEW YORK, NY

DATE: 3/4/08
 REV:

CSI #	TRADE SUMMARY	SCHOOL	RESIDENTIAL	TOTAL AMOUNT	
PROPOSED LESS PENTHOUSE WITH COURTYARD					
02050	BUILDING DEMOLITION	103,500	-	103,500	
02060	SELECTIVE DEMOLITION	25,000		25,000	
02080	ASBESTOS ABATEMENT	NIC	NIC	NIC	
02500	PAVING & SURFACING	24,786	-	24,786	
02900	EXCAVATION/FOUNDATION	1,967,652	56,000	2,023,652	
03010	CONCRETE AND CEMENT WORK	2,458,700	1,902,080	4,360,780	
04200	MASONRY	193,140	-	193,140	
05500	MISCELLANEOUS METALS	95,950	54,700	150,650	
06100	ROUGH CARPENTRY	43,500	41,100	84,600	
06400	FINISH CARPENTRY	21,720	32,700	54,420	
07530	ROOFING & FLASHING	-	200,460	200,460	
07900	JOINT SEALERS	15,000	10,000	25,000	
08100	HOLLOW METAL DOORS	19,930	14,720	34,650	
08200	WOOD DOORS	13,500	21,000	34,500	
08700	HARDWARE	32,800	12,600	45,400	
08900	EXTERIOR FAÇADE	654,326	569,834	1,224,160	
09250	GYPSON WALLBOARD	303,236	310,405	613,641	
09300	TILEWORK	136,946	25,848	162,794	
09500	ACOUSTIC CEILING	134,316	3,024	137,340	
09600	WOOD FLOORING	8,376	80,026	88,402	
09680	CARPET & RESILIENT	42,352	1,690	44,042	
09700	TERRAZZO	181,840	22,920	204,760	
09900	PAINTING	82,169	48,121	130,290	
10100	VISUAL DISPLAY BOARDS	9,750	-	9,750	
10150	COMPARTMENTS & CUBICLES	21,200	-	21,200	
10520	FIRE PROTECTION SPECIALTIES	7,200	-	7,200	
10800	TOILET ACCESSORIES	21,800	5,200	27,000	
11130	PROJECTION SCREENS	18,000	-	18,000	
11400	APPLIANCES	5,000	25,000	30,000	
14000	CONVEYING SYSTEM	150,000	340,000	490,000	
15300	FIRE PROTECTION	185,724	126,093	311,817	
15400	PLUMBING	365,940	294,192	660,132	
15500	HVAC	1,688,400	802,410	2,490,810	
16050	ELECTRICAL WORK	981,772	674,854	1,656,626	
	SUBTOTAL	10,013,525	5,674,977	15,688,501	
	GENERAL CONDITIONS	12%	1,201,623	680,997	1,882,620
	SUBTOTAL		11,215,147	6,355,974	17,571,121
	LIABILITY INSURANCE	3%	336,454	190,679	527,134
	TOTAL		11,551,602	6,546,653	18,098,255

11-12-08
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